

LINDA LINGLE  
GOVERNOR



CARLITO P. CALIBOSO  
CHAIRMAN

JOHN E. COLE  
COMMISSIONER

LESLIE H. KONDO  
COMMISSIONER

Telephone: (808) 586-2020  
Facsimile: (808) 586-2066

**STATE OF HAWAII  
PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE**

465 S. KING STREET, #103  
HONOLULU, HAWAII 96813

e-mail: [Hawaii.PUC@hawaii.gov](mailto:Hawaii.PUC@hawaii.gov)

September 28, 2009

Dean K. Matsuura  
Manager - Regulatory Affairs  
Hawaiian Electric Company, Inc.  
P. O. Box 2750  
Honolulu, Hawaii 96840-0001

Catherine P. Awakuni  
Executive Director  
Department of Commerce and Consumer Affairs  
Division of Consumer Advocacy  
P. O. Box 541  
Honolulu, Hawaii 96809

Dr. Kay Davoodi  
NAVFAC HQ ACQ-URASO  
1322 Patterson Avenue, SE Suite 1000  
Washington Navy Yard  
Washington, D.C. 20374-5065

Re: Docket No. 2008-0083, Application of Hawaiian Electric Company, Inc. for  
Approval of Rate Increases and Revised Rate Schedules and Rules

Dear Parties:

The Public Utilities Commission ("Commission") intends to organize this hearing by issue panels, as it has in previous investigative cases. This issue-focused approach allows for immediate comparisons and interactions among testifying experts, thereby deepening the Commission's understanding of the issues. It also makes the transcript more orderly since all discussion of a particular issue will lie in the same location. In past investigative cases, the Commission has found this approach more efficient and valuable than the traditional party-by-party approach.

The panel procedure will be as follows:

1. The Hawaiian Electric Company, Inc. ("Company") shall provide witnesses at the hearing to answer Commission questions on each of the matters described on pages 5 through 20 of the July 2, 2009 Interim Decision and Order, including the remaining disputed issues between the parties - return on equity and informational advertising ("Disputed Issues"). Witnesses' absence could affect the weight and credibility given to their pre-filed testimony.

As the Commission examines supplemental testimony and responses to information requests, it may determine that the hearing need not address certain issues described in the Commission's Interim Decision and Order filed on July 2, 2009. The Commission will inform parties no less than two weeks before the hearing which matters from the Interim Decision and Order it will address in the hearing. In any event, the hearing will include and begin with panels on the Disputed Issues if the parties so desire. Parties will be responsible for providing witnesses at the hearing for the issues identified by the Commission.

2. No later than one week before the hearing, each party will submit the names of the witnesses who will appear for that party on each panel. A party may place multiple witnesses on a single panel only if those witnesses have submitted pre-filed testimony on one or more issues encompassed within the panel subject. If witnesses are available only during certain days of the hearing, parties should include notification of their availability in this filing. The Commission requests the parties to develop a single common schedule to propose to the Commission. The Commission will inform the parties of the final prehearing schedule shortly thereafter.

3. At the hearing, each of the parties shall have up to 30 minutes for opening statements. Each panel will begin by responding to the Commission's oral questions. The Commission's questioner can address those questions to a single witness, a subset of the panelists, or all panelists. Panelists should respond succinctly, and without repeating the pre-filed testimony if possible. The parties, however, will be allowed additional latitude to summarize and present their pre-filed written testimonies on Disputed Issues, and will be allowed to conduct cross-examination on Disputed issues prior to Commission questioning.

4. When the Commission has completed its questions, the parties will have their customary opportunity to conduct cross examination and redirect, if they have not already done so with respect to Disputed Issues. The parties shall reach agreement on the order of this cross examination, which order can vary for each panel.

5. At the completion of the final panel, each party will have up to 30 minutes in which its representative (which could be an attorney or a witness) to summarize its position.

The Commission recognizes that unlike the previous investigative cases, this rate case is a formal contested case in which parties may have certain procedural rights. The Commission does not believe the panel process will impair any party's legal rights. A party has a right to present its direct case, and a right to cross-examine adverse witnesses. In the instant case, each party has had an opportunity to present its case in the form of pre-filed testimony. Further, the Commission will allow each party to cross examine adverse parties. The Commission will also allow redirect and recross, to the extent necessary.

In short, the panel procedure preserves all rights realized in the traditional party-by-party approach. The main differences from the traditional approach are that (a) all witnesses on a particular subject will appear simultaneously; and (b) prior to each party cross-examining

adverse parties, the Commissioners, Commission staff and Commission advisors will ask questions of importance to the Commission. We believe that nothing in the panel procedure impairs any party's rights in a contested case proceeding.

If you agree to the foregoing panel hearing format, please indicate your agreement in writing within one week of the date of this letter.

Any party having a legal objection to this procedure shall submit such objection no later than one week from issuance of this letter. The submission shall (a) identify the specific aspect of the procedure that it considers objectionable; (b) cite to the specific statute, rule or case law supporting the objection; (c) specify, with proposed language, the precise modification to the procedure that would remove the basis for the objection; and (d) explain why the modification is necessary to remove the basis for the objection.

We would be open to discussing this proposal with the parties if there are any questions.

Sincerely,



Carlito P. Caliboso  
Chairman

CPC:ac

cc: Thomas W. Williams, Jr., Esq.  
James N. McCormick, Esq.  
Theodore E. Vestal, Esq.  
Scott Hempling